

## U.S. ARMY PAY AND BENEFITS

### RANK AND PAY RATES

Military pay rates are based on one's military rank and time in service. New Army Judge Advocates enter service as First Lieutenants (O-2) and are promoted to Captain (O-3) six to nine months later. Officers receive a raise in basic pay upon promotion to Captain and receive automatic pay increases after serving 2, 3 and 4 years. After four years of service, pay increases occur every two years. Congress normally authorizes small annual pay increases.

### COMPONENTS OF MILITARY PAY<sup>1</sup>

- 1) **BASIC PAY** (taxable income). Basic pay is determined by one's rank and time in service; see above.
- 2) **BASIC ALLOWANCE FOR HOUSING (BAH)** (tax-free). BAH is based on rank, whether one has dependents (family members, normally a spouse and/or child(ren)), and the cost of living at the officer's assigned duty station. Judge Advocates who opt to live in government-supplied housing on an installation do not receive BAH; instead, their housing, including utilities, is provided at no charge to them.
- 3) **BASIC ALLOWANCE FOR SUBSISTENCE (BAS)** (tax-free). BAS is the same for all officers, regardless of rank.
- 4) **COST OF LIVING ALLOWANCE (COLA)** (tax-free). Judge Advocates living in some locations outside the continental United States receive a COLA to compensate for a high cost of living and/or to offset fluctuations in foreign currency exchange rates. The amount varies according to location.

### 2009 MONTHLY PAY FOR NEW JUDGE ADVOCATES

<b>DIRECT COMMISSION OFFICERS</b>	<b>1LT (O-2) under 2 years</b>	<b>CPT (O-3) under 2 years</b>
Monthly Basic pay	\$ 3,059	\$ 3,540
<b>ANNUAL TAXABLE PAY</b>	<b>\$36,708</b>	<b>\$42,480</b>

<b>ROTC ED-DELAY OFFICERS</b>	<b>1LT (O-2) over 3 years</b>	<b>CPT (O-3) over 4 years</b>
Basic pay	\$ 4,013	\$ 4,723
<b>ANNUAL TAXABLE PAY</b>	<b>\$48,156</b>	<b>\$56,676</b>

### ADDITIONAL MONTHLY ALLOWANCES

<b>ALL OFFICERS</b>	<b>1LT (O-2)</b>	<b>CPT (O-3)</b>		
BAS (tax-free)	\$ 223	\$ 223		
BAH w/out dependents (tax-free)	ranges from \$ 777 to \$2,733	ranges from \$ 847 to \$2,873		
OR BAH w/ dependents (tax-free)	ranges from \$ 872 to \$2,941	ranges from \$1,015 to \$3,069		
<b>EXAMPLES</b>	<b>W/OUT DEP</b>	<b>W/DEP</b>	<b>W/OUT DEP</b>	<b>W/DEP</b>
Monthly BAH at Fort Hood, TX	\$ 960	\$1,102	\$1,055	\$1,371
Monthly BAH at Fort Bragg, NC	\$1,065	\$1,270	\$1,208	\$1,407
Monthly BAH at Fort Drum, NY	\$1,196	\$1,374	\$1,319	\$1,544
Monthly BAH at Fort Lewis, WA	\$1363	\$1,623	\$1,562	\$2,082

### STUDENT LOAN REPAYMENT PROGRAM (SLRP)

The Army Student Loan Repayment Program (SLRP) is newly available for new active-duty Judge Advocates. Officers with qualifying loans may be eligible for loan repayment up to \$65,000.00 divided into three equal annual payments. New Judge Advocates will be able to apply for SLRP upon successful completion of the Judge Advocate Basic Course. This program carries a three-year service obligation that runs concurrently with the four-year initial active-duty service obligation. Complete program requirements are available online at [www.jagcnet.army.mil/ppto](http://www.jagcnet.army.mil/ppto).

<sup>1</sup> For further information and detailed military pay and allowances tables, visit the Defense Finance and Accounting Service (DFAS) website, <http://www.dfas.mil>, and click on "Military Pay".

## **CONTINUATION PAY**

Continuation pay is a retention bonus available to Judge Advocates upon completion of the initial four-year active duty service obligation. Continuation pay totals \$60,000.00 and is payable biannually in two \$30,000.00 increments in return for another four-year service obligation.

## **DEPLOYMENT BENEFITS**

Service members who are sent to combat zones such as Iraq and Afghanistan receive several additional financial benefits.

1) **COMBAT ZONE TAX EXCLUSION.** Members of the U.S. Armed Forces serving in combat zones (designated by Executive Order) can exclude their pay—including Base Pay, Imminent Danger Pay (see below), and bonuses—earned during any month in which they serve a day or more in the combat zone from gross income for federal income tax. This federal exclusion may have state tax advantages, as well, depending on state tax law.

2) **IMMINENT DANGER PAY.** Service members assigned to or deployed to a combat zone (designated by Executive Order) receive Imminent Danger Pay at the rate of \$225.00 per month.

3) **FAMILY SEPARATION ALLOWANCE.** Service members with dependents (spouse and/or child(ren)) who are deployed (or assigned overseas—unaccompanied assignments to Korea, for example, qualify) without those dependents may be entitled to a Family Separation Allowance (FSA) of \$250 per month, which is non-taxable income.

## **INDIRECT COMPENSATION**

Military pay and allowances are supplemented with other benefits that have a variable cash value depending on household income, family size, and local and state tax rules.

### **MEDICAL AND DENTAL CARE**

Service members receive free medical and dental care. Family members receive the majority of their medical care free from the Army, and low-cost dental insurance is available (current premiums are \$11.58 per month for one family member and \$28.95 for more than one family member).

### **SERVICEMEMBERS GROUP LIFE INSURANCE**

Service members may purchase low-cost life insurance. Premiums for \$400K coverage (maximum amount) are currently \$27 per month. Up to \$100K coverage is available under Family Servicemembers Group Life Insurance to insure dependents for an additional premium.

### **FEDERAL TAX ADVANTAGE**

Savings over what would be paid in income tax if BAS and BAH were taxed; this varies with service member's tax bracket and household income.

### **STATE TAX ADVANTAGE**

States exempt military allowances from income taxation. Some states exempt all military income. This benefit varies with service member's state residency, household income, and tax bracket.

### **COMMISSARY AND EXCHANGE BENEFIT**

Army grocery and department stores do not charge sales tax and offer lower prices than civilian stores. The Defense Commissary Agency estimates commissary savings average 32% under retail grocery stores.

### **NO-CONTRIBUTION RETIREMENT**

After 20 years of active-duty service, military members are eligible for no-contribution retirement equal to a percentage of their average last three years' basic pay rate(s). Retirement pay percentages increase with each year one serves beyond 20 years. Optional participation in the Thrift Savings Plan, similar to a civilian 401K tax-deferred retirement savings account, can significantly boost a servicemember's retirement savings.